

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM  
Meeting Date: November 19, 2008  
Request Infill Grant Approval**

Prepared by: *Center for Creative Land Recycling (CCLR), Michael Smith, and Dona Yee, CPCFA*

<b>Applicant:</b>	Community Housing Development Corporation of North Richmond	<b>Type of Funding Requested:</b>	Grant
<b>Developer:</b>	Community Housing Development Corporation of North Richmond	<b>Amount Requested:</b>	\$284,589
<b>Project Name:</b>	Lillie Mae Jones Plaza	<b>Strategic Partner:</b>	CCLR
<b>Project Location:</b>	Richmond (Contra Costa County)		

**Summary.** Community Housing Development Corporation (“CHDC” or the “Applicant”) requests approval of a grant in an amount not to exceed \$284,589 to finance remediation of a brownfield and to develop Lillie Mae Jones Plaza. The Applicant anticipates the Development Project will create 26 units of affordable housing restricted at 30%-45% of the Area Median Income (AMI), 12 of these units will be supportive housing for homeless or populations at risk of homelessness.

**Applicant.** CHDC is a non-profit developer in Richmond established May 1, 1990.

**Legal Questionnaire.** The Strategic Partner and Staff have reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

**Brownfield Project Description.** The prior use of the two contaminated parcels involved commercial uses. Businesses located on the sites included a bakery, grocery store, hardware store, a harness business, carpentry shop, saloon, pool hall and plumbing business. The sites have remained vacant and undeveloped since the 1950’s. The primary constituent of concern is high concentrations of lead in the shallow soil.

Description of Activity	Amount Financed by Infill Grant
Remediation preparatory activities	\$ 28,575
Soil excavation, stockpiling, verification sampling and waste characterization	30,956
Loading, transportation and disposal of lead-affected oil	137,703
Import select backfill material, placement and compaction of select backfill material in excavation and demobilization	45,955
Report preparation	14,400
Approval of remedial activities completion report and case closure	5,000
Community outreach/public participation process	<u>22,000</u>
<b>TOTAL ESTIMATED COST:</b>	<b><u>\$284,589</u></b>

**Oversight Agency.** Department of Toxics Substances Control (DTSC).

**Infill Development Project Description.** Lillie Mae Jones Plaza is a 26 unit new construction rental housing development. This project is the result of a demand from the City of Richmond and the Iron Triangle Neighborhood for affordable housing for low-income families and permanent supportive housing for homeless individuals/families. The development includes 1, 2, 3, and 4 bedroom units serving low and very low income households. Twelve of these units will be supportive housing for homeless or populations at risk of homelessness; five will target supportive housing for HIV/AIDS special needs populations and seven will target populations in need of mental health services.

An array of supportive services will be available to residents that will serve a variety of needs including mental health and substance abuse, vocational training, and life skills training. The lead service provider will be Rubicon Programs. Rubicon is an experienced social services agency that has been providing direct services, including services to residents of supportive housing, for the past thirty-three years. Additionally, the Brookside Community Health Center is building a facility adjacent to the residential portion which will provide a range of health services to residents and the community.

**Permits.** Project has received CEQA and NEPA clearance and anticipates applying for building permits by the end of the year.

**Anticipated Timeline.**

- Cleanup to Begin: December 2008
- Cleanup to be Completed: July 2009
- Development to Begin: June 2009
- Development to be Completed: August 2010

**Local Government Support.** Lillie Mae Jones Plaza is consistent with the Richmond General Plan, the City of Richmond Housing Element, and the project area development plan.

CHDC began working closely with the Iron Triangle Neighborhood Council at the beginning of 2004 during the conceptual phase. The community has contributed its input from the initial drawings to the final design of the building. A “green charrette” was hosted to involve the community in the implementation of sustainable principles in the design, construction, and operations of Lillie Mae Jones Plaza. The community involvement in the project is ongoing as regular updates are made to the Neighborhood Council.

Not only has the community been involved and supportive of the project, but the City has been a strong ally. In fact, it was the City who approached CHDC to develop this site. This project is part of the Redevelopment Agency’s plan to improve the MacDonald Ave corridor and the Iron Triangle Neighborhood. The City has committed substantial financial resources to the project, as well as, staff time to aid in the development process. The availability of staff for problem solving and community outreach has been an important asset.

Several letters of support have been received for the project including:

**Local Community Support.**

- Kara Douglas, Affordable Housing Program Manager (A-1)
- Otheree Christian, President CEO, The Iron Triangle Neighborhood Council (A-2)

**Government Officials Support.**

- Steve Duran, Executive Director, Richmond Community Development Agency (A-3)

**Application Score.** The project earned a score of **100** out of **120** points in the following categories:

**(a) Readiness to Proceed. TOTAL - 20/40.**

- (1) Applicant has demonstrated that environmental review can be completed and all necessary entitlements can be received from the local jurisdiction within two years if receiving the award - 10/10.** Project received a NEPA Notice of Finding of No Significant Difference December 4, 2007.
- (2) Funding commitments are in place, or financing applications are under review, for the Infill Development Project - 0/10.**
- (3) The Infill Development Project has local community and government support - 10/10.** Local community support includes the Iron Triangle Neighborhood Council; government support includes the City of Richmond Community Redevelopment Agency.
- (4) Cleanup Plan has been approved by Oversight Agency - 0/5.**
- (5) Applicant has building permits, and all other governmental permits (i.e. encroachment, ROW, etc.) in place or under review - 0/5.**

**(b) Location within an Economically Distressed Community. TOTAL - 30/30.** Project is in a redevelopment area.

**(c) Location within a Priority Development of a Local Governmental Entity. TOTAL - 10/10.** A letter from the City of Richmond Community Redevelopment Agency designates this Project a “priority development.”

**(d) Depth of Affordability. TOTAL - 10/10.** 100% of the Project’s 26 units are restricted to residents at 30%-45% AMI, well above the 15% threshold for 10 points.

**(e) Percentage of Affordability. TOTAL - 15/15.** 100% of the Project’s 26 units are Affordable, well above the 50% threshold for full 15 points.

**(f) Utilization of Green Building Methods. TOTAL - 5/5.** The preliminary GreenPoint Checklist indicates that the Project would score 117 points, well above the 60 point threshold for 5 points.

**(g) Cleanup Plan for the Brownfield Infill Project does not require Ongoing Operation and Maintenance. TOTAL - 10/10.** The Project does not include any long term operation and maintenance activities.

Tie-Breaker.

- (a) Total Brownfield Infill Project Cleanup Plan Cost: \$284,589
- (b) Total no. residential housing units produced and/or promoted by Infill Development Project:  
26
- (c) Tie-breaker ratio [(a) / (b)]: \$10,946/ unit

**Financing Details.**

- Amount of Overall Financing to be Leveraged:
  - Total Project Cost = \$12,433,189
  - Total CALReUSE Infill Grant Funding = \$284,589.00
  - CALReUSE remediation funding is leveraged **44 to 1**
- Sources of Financing for Brownfield Infill Project: CALReUSE grant
- Sources of Financing for Infill Development Project: City of Richmond Acquisition Funds loan, City of Richmond Home Funds, City of Richmond Bond Proceeds & Tax Increment loan, City of Richmond loan, Multifamily Housing Program loan, HOPWA loan, MHSA grant, Federal Home Loan Bank (Affordable Housing Program) loan, Enterprise Green Communities Grant, Tax Credit Equity.

**Staff Recommendation.** Staff recommends approval of the attached Resolution for Community Housing Development Corporation of North Richmond for an amount not to exceed \$284,589.

A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING  
AUTHORITY APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING FOR  
COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND  
COMMUNITY HOUSING DEVELOPMENT  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM

November 19, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Regulations adopted to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program;

WHEREAS, the statutory provisions of the CALReUSE Remediation Program authorize grant and loan funding for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans;

WHEREAS, the Authority solicited applications for the CALReUSE Remediation Program and such applications were evaluated and scored pursuant to the Authority’s Regulations;

WHEREAS, Center for Creative Land Recycling has submitted an application for the CALReUSE Remediation Program for a grant in the amount of \$284,589 for the Lillie Mae Jones Plaza Project;

WHEREAS, the Strategic Partner Center for Creative Land Recycling has reviewed the application and determined to recommend Lillie Mae Jones Plaza Project to the Authority for funding consideration;

WHEREAS, the Authority staff has reviewed the Strategic Partner’s recommendation and has determined to recommend the Lillie Mae Jones Plaza Project for funding; and

WHEREAS, approval of a grant for the Community Housing Development Corporation of North Richmond Community Housing Development (“Applicant” and “Grantee”) by the Authority is now sought;

NOW THEREFORE BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. Pursuant to the Regulations, the Authority hereby finds that the Lillie Mae Jones Plaza Project (the “Project”) is eligible for financing and hereby approves the grant described in the staff summary for the Project described in the Applicant’s CALReUSE Infill Application to the Authority.

Section 2. The Executive Director is hereby authorized for and on behalf of the Authority to take all steps necessary with respect to the Applicant including notifying the Applicant that its Application has been approved for funding, preparing a commitment letter that contains the terms and conditions of funding for the Grantee, preparing and executing the final

form of grant/loan agreement and disbursing funds pursuant to the grant agreement and the Authority's Regulations.

Section 3. The Executive Director is hereby authorized for and on behalf of the Authority to approve any changes in the Project described in Exhibit A of the grant agreement as the Executive Director shall deem appropriate and authorized under the Regulations (provided that the amount of the grant may not be increased above the amount approved by the Authority).

Section 4. The Executive Director is hereby authorized and directed, for and on behalf of the Authority, to draw money from the Proposition 1C (2006) funds allocated to this Program not to exceed those amounts approved by the Authority for the Project approved in Section 1. The Executive Director is further authorized and directed, for and on behalf of the Authority, to execute and deliver for the Project identified in Section 1 any and all documents necessary to complete the transfer of funds. The authority of the Executive Director is limited to payment of claims made by the Grantee in accordance with the Regulations and the grant Agreement.

Section 5. Any notice to the Applicant approved hereunder shall indicate that the Authority shall not be liable to the Applicant in any manner whatsoever should such funding not be completed for any reason whatsoever. Notice to the Applicant shall include a provision making it clear that continued funding under the program is not guaranteed but is entirely dependent upon funds being available to the CALReUSE Program and the Grantee's continued compliance with the grant agreement and the regulations governing the CALReUSE Program.

Section 6. The Executive Director of the Authority is hereby authorized and directed, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby, and which have heretofore been approved as to form by the Authority.

**EXHIBIT A**

TERM SHEET

**Name of Project:** Lillie Mae Jones Plaza

**Maximum Amount of Grant:** \$284,589

**Strategic Partner:** Center for Creative Land Recycling

**Grantee:** Community Housing Development Corporation of North Richmond

**Financing Structure:** Grant

**Maximum Grant Term:** Not to exceed 6 years from first draw on funds

**Oversight Agency:** CA Department of Toxic Substances Control

**Project Location:** Lillie Mae Jones Plaza  
2<sup>nd</sup> Street and MacDonald Avenue  
Richmond, California 94801  
(Contra Costa County)

**Infill Development Description:** 26 units of affordable housing restricted at less than or equal 30%-45% of the Area Median Income (AMI). Twelve of these units will provide supportive housing for homeless individuals/families that have a disability, including mental health and HIV/AIDS populations.

<b>Description of Activity</b>	<b>Amount Financed by Infill Grant</b>
Remediation preparatory activities	\$ 28,575
Soil excavation, stockpiling, verification sampling and waste characterization	30,956
Loading, transportation and disposal of lead-affected oil	137,703
Import select backfill material, placement and compaction of select backfill material in excavation and demobilization	45,955
Report preparation	14,400
Approval of remedial activities completion report and case closure	5,000
Community outreach/public participation process	<u>22,000</u>
<b>TOTAL ESTIMATED COST:</b>	<b><u>\$284,589</u></b>

Attachment A

Community  
Development  
Department

2530 Arnold Drive  
Suite 190  
Martinez, California 94553-8611

Phone: (925) 335-7223

Contra  
Costa  
County



Dennis M. Barry, AICP  
Community Development Director



March 27, 2008

Joanna Griffith  
Community Housing Development Corporation  
of North Richmond  
1535 A Third Street  
Richmond, CA 94802

RE: Lillie Mae Jones Plaza

Dear Ms Griffith:

The Contra Costa County Board of Supervisors has approved the allocation of \$300,000 in Housing Opportunity for Persons with HIV/AIDS funds and \$293,884 in Mental Health Services Act "one-time" funds to Community Housing Development Corporation of North Richmond (CHDC) for the Lillie Mae Jones Apartment project, 214 MacDonald Avenue, Richmond. The Board's actions took place in June 2006 and May 2007. The funds will be provided with the following loan terms:

HOPWA: Deferred zero interest loan for 10 years of HOPWA compliance and a total affordability of 20 to 40 years.

MHSA: Grant or low interest loan for 20 years.

The Lillie Mae Jones Apartments project is fully consistent with County priorities to increase the supply of multifamily rental housing for lower-income households in Contra Costa. When complete, the project will provide 21 critically needed apartments affordable to households with incomes ranging from 30 percent to 50 percent of the area median income and will include units suitable for a variety of households types, including single adults and disabled households. Five units will be designated as HOPWA units and an additional two units will be designated as MHSA units. We look forward to working with CHDC to successfully complete this important project.

Please call me (925/335-7223) if you require any additional information concerning the County's support for and commitment of funds to this project.

Sincerely,

A handwritten signature in cursive script that reads "Kara Douglas".

Kara Douglas  
Affordable Housing Program Manager

Attachment A

**THE IRON TRIANGLE NEIGHBORHOOD COUNCIL**  
1000 Macdonald Avenue, Suite B  
Richmond, California 94801

October 1, 2008

Donald Gilmore  
Community Housing Development Corporation  
1535-A Third Street  
Richmond, CA 94801

Re: **Lillie Mae Jones Plaza Housing Development**

Dear Mr. Gilmore,

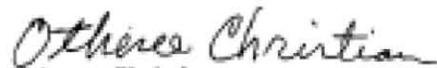
The Iron Triangle Neighborhood Council is pleased to provide this letter expressing our support for the Community Housing Development Corporation of North Richmond's (CHDC) proposed 26-unit housing project, Lillie Mae Jones Plaza, to be developed at the corner of 2<sup>nd</sup> Street and Macdonald Avenue in the City of Richmond's Iron Triangle Neighborhood.

The Iron Triangle community has a critical need for housing that will serve very low and low income individuals and families with physical and/or mental disabilities who are also homeless or at-risk of homelessness. Additionally, the Lillie Mae Jones Plaza development will provide a much needed supportive environment for people needing services, in particular those with HIV/AIDS and mental health issues.

The Iron Triangle Neighborhood Council has been an on-going participant in the planning and proposed development activities for the project. It is with great enthusiasm that we offer this letter evidencing our strong support of the development and hope that CHDC can garner the necessary financing needed to make this project a reality.

If you have any questions or need additional information, please let us know.

Sincerely,

  
Otheree Christian  
President/CEO

Attachment A



October 2, 2008

Donald Gilmore  
Executive Director  
Community Housing Development Corporation of North Richmond  
1535-A Third Street  
Richmond, CA 94804

**Re: Financing Commitment – Lillie Mae Jones Plaza Housing Development**

Dear Mr. Gilmore:

The City of Richmond (City) and the Richmond Community Redevelopment Agency (Agency) are pleased to provide their financial support to the Lillie Mae Jones Plaza Housing Development located at 2<sup>nd</sup> Street and Macdonald Avenue (APNs 538-181-035, 538-181-036, 538-181-005) in Richmond's Iron Triangle Neighborhood. The project will be developed by Community Housing Development Corporation of North Richmond (CHDC) in collaboration with East Bay Asian Local Development Corporation. The Lillie Mae Jones Plaza Housing Development (Development) will consist of 26 housing units which are affordable to very low and low income households, of which nine will be supportive housing units as defined by the State Multifamily Housing Program.

The City and Agency are firmly behind this development, with commitments for significant investment of City and Agency resources. To date, the Agency has provided acquisition and predevelopment financing, and the Agency and CHDC have entered into a Disposition and Development Agreement through which the Agency will provide additional land for the Development at no cost. The Agency has planned and budgeted for this development for several years and anticipates a total permanent financing commitment of up to Four Million One Hundred and Twenty Four Thousand Dollars (\$4,124,000) for the project as follows:

- a) The City has already committed to CHDC, and expended, One Hundred Seven Thousand Dollars (\$107,000) for land acquisition costs of the Development. These funds will remain in the project permanently.
- b) The City has entered into a predevelopment loan agreement with CHDC for HOME funds in the amount of Seven Hundred Seventy Two Thousand Dollars (\$772,000). The loan is being used to finance predevelopment costs associated with the Development. The loan funds are being made available to CHDC subject to the terms and conditions of the executed predevelopment loan agreement.

1401 MARINA WAY SOUTH, P.O. BOX 4046, RICHMOND, CA 94804

Telephone: (510) 307-8140  
Fax: (510) 307-8148

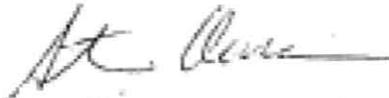
Attachment A

- c) The Agency has budgeted up to an additional Three Million Two Hundred and Forty Five Thousand (\$3,245,000) for permanent deferred-payment financing for the Development. The Agency would provide this funding to CHDC at 3% simple interest with a 55-year term.

In addition, through a Disposition and Development Agreement with CHDC, the Agency is selling the property at 249 2<sup>nd</sup> Street (APN 538-181-005) to CHDC for One Dollar, representing a land write-down of Eight Hundred Five Thousand Dollars (\$805,000).

The Lillie Mae Jones Plaza Housing Development meets the critical need of providing affordable housing, including supportive housing units, and reducing the amount of blight in our Redevelopment Areas. We look forward to the successful completion of this project. Please feel free to call Alicia Klein, Senior Development Project Manager, at (510) 307-8193 if you have any further questions or concerns.

Sincerely,



Steve Duran  
Executive Director